



ARIZONA HOUSE OF REPRESENTATIVES

Fifty-fifth Legislature
Second Regular Session

House: APPROP DP 8-5-0-0

HB 2855: amusements; 2022-2023

**Sponsor: Representative Cobb (with permission of committee on Rules), LD 5
Caucus & COW**

Overview

Contains provisions relating to amusements needed to implement the FY 2023 budget.

History

[Laws 2021, Chapter 234](#), established laws governing fantasy sports contests and event wagering. The Arizona Department of Gaming (ADG) is responsible for the administration and regulation of fantasy sports contest and event wagering operators.

ADG is required to establish a fee for the privilege of operating fantasy sports contests and event wagering. In determining the fee, ADG must consider the highest percentage of revenue share that an Indian tribe pays in accordance with the tribal-state gaming compact. The fees are due by the 25th day of each month for deposit to the respective funds (A.R.S. §§ [5-1211](#), [5-1212](#), and [5-1318](#)).

ADG has set the following fees for the privilege of operating:

- 1) fantasy sports contests, 5% of fantasy sports contest adjusted revenues;
- 2) event wagering for retail operations, 8% of adjusted gross event wagering receipts; and
- 3) event wagering for mobile operations, 10% of adjusted gross event wagering receipts ([R19-4-208](#); [R19-4-112](#)).

The Fantasy Contest Fund consists of monies from licensing fees and the privilege fee. Monies in the fund are subject to legislative appropriation, and ADG may spend up to 10% on the annual costs for regulating and enforcing fantasy sports contest laws. ADG must transfer any remaining monies to the state General Fund ([A.R.S. § 5-1212](#)).

The Event Wagering Fund consists of monies from licensing fees and certain privilege fees. ADG may spend up to 10% on the annual costs for regulating and enforcing event wagering laws. On the 25th day of each month, any monies remaining in the fund must be transferred to the state General Fund ([A.R.S. § 5-1318](#)).

Pursuant to [A.R.S. § 5-104](#), ADG's Division of Racing establishes and collects a regulatory assessment from each commercial racing permittee, payable from amounts deducted from pari-mutuel pools by the permittee, from amounts wagered on live and simulcast races from in-state and out-of-state wagering handled by the permittee. All monies received from the regulatory assessment are deposited into the Racing Regulation Fund, which is the primary funding source for the Division of Racing.

While ADG has the authority to set the regulatory assessment rate, the Legislature, for each FY since 2017, has set the rate at 0.5% of the amounts wagered.

Provisions

<input type="checkbox"/> Prop 105 (45 votes)	<input type="checkbox"/> Prop 108 (40 votes)	<input type="checkbox"/> Emergency (40 votes)	<input type="checkbox"/> Fiscal Note
--	--	---	--------------------------------------

1. Caps the fee for the privilege to operate fantasy sports contests to 10% of the fantasy sports contest operator's adjusted revenues. (Sec. 1)
2. Caps the fee for the privilege to operate event wagering to 10% of the event wagering operator's adjusted gross event wagering receipts. (Sec. 4)
3. Requires any revenues collected in excess of the amount appropriated from the Fantasy Sports Contest Fund to ADG be transferred to the state General Fund at the end of each fiscal year. (Sec. 2)
4. Clarifies that on or before the 25th of each month, 90% of the monies deposited in the Event Wagering Fund from the previous month must be transferred to the state General Fund. (Sec. 4)
5. Continues for FY 2023, as session law, ADG's regulatory assessment of 0.5% on the amounts wagered on live and simulcast races from in-state and out-of-state wagering handled by a commercial racing permittee. (Sec. 5)
6. Makes a technical change. (Sec. 3, 4)